

**TABLE 1: Summary of the effects of taxes and benefits by quintile groups on ALL households,<sup>1</sup> 2012/13**

	Quintile groups of ALL households <sup>1</sup>					All households	Ratio Top/Bottom quintile
	Bottom	2nd	3rd	4th	Top		
Income, taxes and benefits per household (£ per year) <sup>2</sup>							
Original income	5 536	11 952	23 069	38 697	81 284	32 108	14.7
plus cash benefits	7 154	8 817	6 622	4 691	2 666	5 990	0.4
Gross income	12 690	20 769	29 692	43 388	83 950	38 098	6.6
less direct taxes <sup>3</sup> and employees' NIC	1 256	2 257	4 620	8 635	20 322	7 418	16.2
Disposable income	11 434	18 512	25 072	34 753	63 628	30 680	5.6
less indirect taxes	3 488	3 986	5 029	6 474	9 140	5 623	2.6
Post-tax income	7 946	14 527	20 043	28 279	54 488	25 057	6.9
plus benefits in kind	7 646	7 617	7 026	6 193	5 403	6 777	0.7
Final income	15 592	22 143	27 069	34 472	59 890	31 834	3.8

**Notes:**

Source: Office for National Statistics

1 Households are ranked by equivalised disposable income, using the modified-OECD scale.

2 All the tables in Part 1 of this article show unequivalised income. Equivalised income has only been used in the ranking process to produce the quintile groups (and to produce the percentage shares and Gini coefficients).

3 These are: income tax (after deducting tax credits), employees' National Insurance contributions and council tax/Northern Ireland rates (after deducting discounts, council tax benefits and rates rebates).

**Summary of the effects of taxes and benefits on ALL households, 2012/13**

Average income per household (£ per year)	Quintile groups <sup>1</sup>					All households
	Bottom	2nd	3rd	4th	Top	
Cash benefits	7 154	8 817	6 622	4 691	2 666	5 990
Benefits in kind	7 646	7 617	7 026	6 193	5 403	6 777
Direct taxes	-1 256	-2 257	-4 620	-8 635	-20 322	-7 418
Indirect taxes	-3 488	-3 986	-5 029	-6 474	-9 140	-5 623
Net position	10 056	10 191	4 000	-4 225	-21 394	- 274

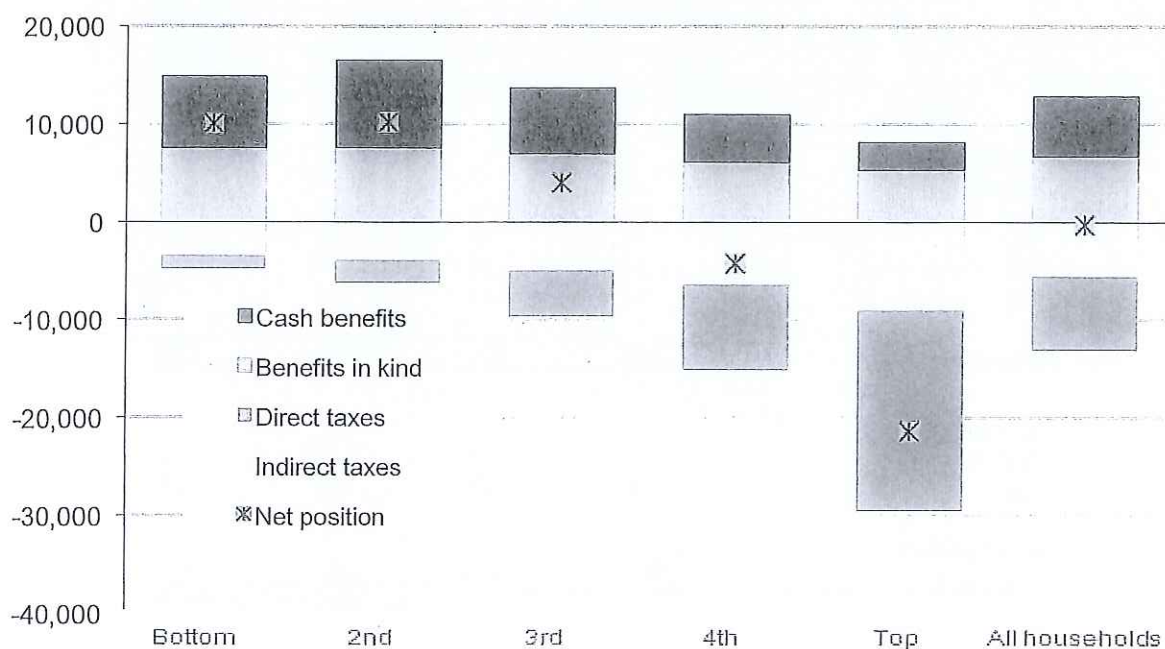
Source: Office for National Statistics

**Note:**

1 Households are ranked by their equivalised disposable incomes, using the modified-OECD scale.

**Figure 4: Summary of the effects of taxes and benefits on ALL households, 2012/13**

Average per household (£ per year)



Source: Office for National Statistics

**Note:**

1 Households are ranked by their equivalised disposable incomes, using the modified-OECD scale.

TABLE 13 (Appendix 1): Taxes and benefits allocated to households as a percentage of general government expenditure, 2012

Taxes and compulsory social contributions <sup>1</sup> allocated to households			Benefits allocated to households		
	£ million	% of GGE <sup>2</sup>		£ million	% of GGE <sup>2</sup>
Income tax (gross)	146 650	20.2	Cash benefits		
Tax reliefs	- 10	0.0	Contributory (National Insurance, etc)		
Income tax (net)	146 640	20.2	Retirement	76 260	10.5
Employees' & self-employed NI contributions	43 660	6.0	Employment and support allowance <sup>3</sup>	5 830	0.8
Council tax	26 110	3.6	Widows' and guardians' allowances	610	0.1
			Maternity/Statutory maternity pay	2 580	0.4
			Job seekers allowance	670	0.1
			Social fund	2 460	0.3
			Redundancy benefit and statutory sick pay	140	0.0
Taxes on final goods and services			Non-contributory		
VAT	76 160	10.5	Income support	13 460	1.9
Duty on hydrocarbon oils	13 400	1.8	Working and child tax credits	26 900	3.7
Duty on tobacco	9 300	1.3	Child benefit	12 110	1.7
Vehicle excise duty	4 890	0.7	War pensions	1 000	0.1
Duty on wines, cider, perry and spirits	6 360	0.9	Other <sup>3</sup>	36 890	5.1
Duty on beer	3 100	0.4	Student support	1 390	0.2
Betting duties	1 120	0.2	Rent rebates and allowances	23 460	3.2
Camelot: payments to NLDF	1 620	0.2			
Stamp duty on house purchase	2 490	0.3			
Other <sup>4</sup>	5 720	0.8			
Taxes & NI contributions on			Benefits in kind		
Intermediate goods & services <sup>5</sup>			Health services	118 960	16.4
Employers' NI contributions	21 170	2.9	Education	75 090	10.3
Commercial & industrial rates	12 350	1.7	Travel subsidies <sup>6</sup>	5 440	0.7
Duty on hydrocarbon oils	6 730	0.9	Housing subsidy	177	0.0
VAT	5 500	0.8	School meals and healthy start vouchers <sup>8</sup>	678	0.1
Vehicle excise duty	550	0.1			
Other <sup>7</sup>	5 150	0.7			
Total	392 020	53.9	Total	404 110	55.6
Total government expenditure	727 180				

Source: United Kingdom National Accounts, 2012 Edition.

## Notes:

1 Paid to UK central and local government and European Union institutions.

2 Expressed as a percentage of general government expenditure.

3 Includes non-contributory job seeker's allowance, incapacity benefit, attendance allowance, carer's allowance, severe disablement allowance, industrial injury disablement benefit and disability living allowance.

4 Includes customs duty, air passenger duty, insurance premium tax and non-domestic rates.

5 These are taxes paid by industry and commerce assumed to be passed on to households in the prices of goods and services they buy. For instance, duty on duty used in the transportation of goods is an 'intermediate' tax whereas the duty on petrol bought by the private motorist is a tax on final goods and services.

6 Including concessionary fares expenditure.

7 Includes intermediate taxes on beer, wines and spirits duty, tobacco duty, customs duty, stamp duty, air passenger duty, insurance premium tax, landfill tax, regulator fees and consumer credit fees.

8 The Healthy Start vouchers component includes nursery milk data.

TABLE 2: Percentage shares of equivalised household income and Gini coefficients,<sup>1</sup> 2012/13

ALL households				
	Original income	Gross income	Disposable income	Post-tax income
Quintile group <sup>2</sup>				
Bottom	3	7	8	7
2nd	7	11	12	12
3rd	14	16	16	16
4th	24	22	22	22
Top	51	44	41	43
All households	100	100	100	100
Decile group <sup>2</sup>				
Bottom	1	3	3	2
Top	34	28	26	28
Gini coefficient (per cent)	52.3	37.0	33.2	37.1

Source: Office for National Statistics

## Notes:

1 This is a measure of the dispersion of each definition of income (see Further Analysis and Methodology section).

2 Households are ranked by equivalised disposable income, using the modified-OECD scale.